

103D CONGRESS  
1ST SESSION

# H. R. 3347

To reform the laws relating to forfeitures.

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 22, 1993

Mr. CONYERS introduced the following bill; which was referred jointly to the Committees on Ways and Means, the Judiciary, and Energy and Commerce

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## A BILL

To reform the laws relating to forfeitures.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Asset Forfeiture  
5 Justice Act”.

6 **SEC. 2. REQUIRE CONVICTION.**

7 (a) TARIFF ACT OF 1930.—Section 604 of the Tariff  
8 Act of 1930 (19 U.S.C. 1604) is amended by adding at  
9 the end the following new sentence: “Proceedings for the  
10 forfeiture of property, other than of merchandise upon  
11 which the duties have not been paid or which has been  
12 otherwise brought into the United States unlawfully, shall

1 be conducted only upon conviction of the owner of such  
2 property for the crime upon which the forfeiture is  
3 based.”.

4 (b) TITLE 18, UNITED STATES CODE.—Subsection  
5 (c) of section 1082 of title 18, United States Code, is  
6 amended to read as follows:

7 “(c) Whoever, being (1) the owner of an American  
8 vessel, or (2) the owner of any vessel under or within the  
9 jurisdiction of the United States, or (3) the owner of any  
10 vessel and being an American citizen, uses, or knowingly  
11 permits the use of, such vessel in violation of this section  
12 shall upon conviction, in addition to any other penalties  
13 provided by this chapter, forfeit such vessel, together with  
14 her tackle, apparel, and furniture, to the United States.”.

15 **SEC. 3. NOTICE.**

16 Section 607(a) of the Tariff Act of 1930 (19 U.S.C.  
17 1607(a)) is amended by adding at the end the following  
18 new sentence: “Such notice shall be sent not later than  
19 60 days after the seizure to any possessor, owner, or other  
20 interested party (including any lienholder).”.

21 **SEC. 4. BURDEN OF PROOF.**

22 Section 615 of the Tariff Act of 1930 (19 U.S.C.  
23 1615) is amended to read as follows:

1 **“SEC. 615. BURDEN OF PROOF IN FORFEITURE PROCEED-**  
2 **INGS.**

3 “In—

4 “(1) all suits or actions (other than those arising under section 592) brought for forfeiture of any  
5 vessel, vehicle, aircraft, merchandise, or baggage  
6 seized under the provisions of any law relating to the  
7 collection of duties on imports or tonnage; and

8 “(2) in all suits or actions brought for the re-  
9 covery of the value of any vessel, vehicle, aircraft,  
10 merchandise, or baggage, because of violation of any  
11 such law;

12 the burden of proof is on the United States Government  
13 to establish, by clear and convincing evidence, that the  
14 property was subject to forfeiture.”.

15 **SEC. 5. PRELIMINARY HEARING.**

16 (a) CONTROLLED SUBSTANCES ACT.—Section  
17 511(b) of the Controlled Substances Act (21 U.S.C.  
18 881(b)) is amended to read as follows:

19 “(b)(1) Any property subject to civil forfeiture to the  
20 United States under this section may be seized by the At-  
21 torney General upon order of the District Court of the  
22 United States in which the property is located or the  
23 owner of such property is found.

24 “(2) The court may issue an order under subsection  
25 (a)(1) if it determines, after notice to persons appearing  
26

1 to have an interest in the property and opportunity for  
2 hearing, that—

3 “(A) there is a substantial probability that the  
4 United States will prevail on the issue of forfeiture  
5 and that failure to enter the order will result in the  
6 property being destroyed, removed from the jurisdic-  
7 tion of the court, or otherwise made unavailable for  
8 forfeiture; and

9 “(B) the need to preserve the availability of the  
10 property through the entry of the requested order  
11 outweighs the hardship to any party of interest.

12 “(3) A seizure without such order may be made  
13 when—

14 “(A) the seizure is incident to an arrest or a  
15 search under a search warrant or an inspection  
16 under an administrative inspection warrant;

17 “(B) the property subject to seizure has been  
18 the subject of a prior judgment in favor of the  
19 United States in a criminal injunction or forfeiture  
20 proceeding under this subchapter;

21 “(C) there is probable cause to believe that the  
22 property is directly or indirectly dangerous to health  
23 or safety; or

24 “(D) there is probable cause to believe that the  
25 delay occasioned by the need to secure an order will

1 frustrate the seizure. Any officer having made a sei-  
2 zure under the authority of this subparagraph shall,  
3 as practicable thereafter, apply for an order under  
4 subsection (b)(1); the property must be released to  
5 the owner of such property immediately if the order  
6 is denied.’’.

7 (b) TITLE 18, UNITED STATES CODE.—Section  
8 981(b) of title 18, United States Code, is amended to read  
9 as follows:

10 “(b)(1) Any property subject to civil forfeiture to the  
11 United States under subsection (a)(2) may be seized by  
12 the Attorney General upon order of the District Court of  
13 the United States in which the property is located or the  
14 owner of such property is found.

15 “(2) The court may issue an order under subsection  
16 (b)(1) if it determines, after notice to persons appearing  
17 to have an interest in the property and opportunity for  
18 hearing, that—

19 “(A) there is a substantial probability that the  
20 United States will prevail on the issue of forfeiture  
21 and that failure to enter the order will result in the  
22 property being destroyed, removed from the jurisdic-  
23 tion of the court, or otherwise made unavailable for  
24 forfeiture; and

1           “(B) the need to preserve the availability of the  
2           property through the entry of the requested order  
3           outweighs the hardship to any party of interest.

4           “(3) A seizure without such order may be made  
5           when—

6           “(A) the seizure is incident to an arrest or a  
7           search under a search warrant or an inspection  
8           under an administrative inspection warrant;

9           “(B) the property subject to seizure has been  
10          the subject of a prior judgment in favor of the  
11          United States in a criminal injunction or forfeiture  
12          proceeding under this subchapter;

13          “(C) there is probable cause to believe that the  
14          property is directly or indirectly dangerous to health  
15          or safety; or

16          “(D) there is probable cause to believe that the  
17          delay occasioned by the need to secure an order will  
18          frustrate the seizure. Any officer having made a sei-  
19          zure under the authority of this subparagraph shall,  
20          as practicable thereafter, apply for an order under  
21          subsection (b)(1); the property must be released to  
22          the owner of such property immediately if the order  
23          is denied.”.

1 (c) TARIFF ACT OF 1930.—(1) Section 603(a) of the  
2 Tariff Act of 1930 (19 U.S.C. 1603(a)) is amended to  
3 read as follows:

4 “(a) PROCESS FOR SEIZURE.—

5 “(1) IN GENERAL.—Any property which is sub-  
6 ject to forfeiture to the United States for violations  
7 of the customs law and which is not subject to  
8 search and seizure in accordance with provisions of  
9 section 595, may be seized by the appropriate officer  
10 or person upon process issued under paragraph (2).

11 “(2) PROCEDURES.—

12 “(A) SEIZURE UNDER ORDER.—Any prop-  
13 erty subject to forfeiture under the customs  
14 laws of the United States may be seized by the  
15 Attorney General upon order of the District  
16 Court of the United States in which the prop-  
17 erty is located or the owner of such property is  
18 found.

19 “(B) DETERMINATIONS.—The court may  
20 issue an order under paragraph (1) if it deter-  
21 mines, after notice to persons appearing to have  
22 an interest in the property and opportunity for  
23 hearing, that—

24 “(i) there is a substantial probability  
25 that the United States will prevail on the

1 issue of forfeiture and that failure to enter  
2 the order will result in the property being  
3 destroyed, removed from the jurisdiction of  
4 the court, or otherwise made unavailable  
5 for forfeiture; and

6 “(ii) the need to preserve the avail-  
7 ability of the property through the entry of  
8 the requested order outweighs the hardship  
9 to any party of interest.

10 “(C) SEIZURE WITHOUT ORDER.—A sei-  
11 zure without such order may be made when—

12 “(i) the seizure is incident to an ar-  
13 rest or a search under a search warrant or  
14 an inspection under an administrative in-  
15 spection warrant;

16 “(ii) the property subject to seizure  
17 has been the subject of a prior judgment  
18 in favor of the United States in a criminal  
19 injunction or forfeiture proceeding under  
20 this subchapter;

21 “(iii) there is probable cause to believe  
22 that the property is directly or indirectly  
23 dangerous to health or safety; or



1           “(iv) there is probable cause to believe  
2           that the delay occasioned by the need to  
3           secure an order will frustrate the seizure.  
4           Any officer having made a seizure under the  
5           authority of this subparagraph shall, as prac-  
6           ticable thereafter, apply for an order under  
7           paragraph (1). Any property so seized must be  
8           released to the owner of such property imme-  
9           diately if the order is denied.”.

10       (2) Section 595(a)(1) of the Tariff Act of 1930 (19  
11 U.S.C. 1595(a)(1)) is amended by adding at the end the  
12 following: “Any seizure of property described in paragraph  
13 (1)(B) of this section must be authorized under section  
14 603(a).

15 **SEC. 6. ELIMINATION OF BOND; ADEQUATE REPRESENTA-**  
16 **TION.**

17       Section 608 of the Tariff Act of 1930 (19 U.S.C.  
18 1608) is amended to read as follows:

19 **“SEC. 608. SEIZURE; CLAIMS.**

20       “(a) Any person claiming such vessel, vehicle, air-  
21 craft, merchandise, or baggage may at any time within  
22 60 days from the date of the first publication of the notice  
23 of seizure, file with the appropriate customs officer a claim  
24 stating his interest therein. Upon the filing of such claim,  
25 the customs officer shall transmit such claim, with a

1 duplicate list and description of the articles seized, to the  
2 United States attorney for the district in which seizure  
3 was made, who shall proceed to a condemnation of the  
4 merchandise or other property in the manner prescribed  
5 by law.

6 “(b) If the person filing a claim under subsection (a),  
7 or a claim regarding seized property under any other pro-  
8 vision of law that incorporates by reference the seizure,  
9 forfeiture, and condemnation procedures of the customs  
10 laws, is financially unable to obtain representation of  
11 counsel, the court may appoint appropriate counsel to rep-  
12 resent that person with respect to the claim. The court  
13 shall set the compensation for that representation, which  
14 shall—

15 “(1) be equivalent to that provided for court-ap-  
16 pointed representation under section 3006A of title  
17 18, United State Code, and

18 “(2) be paid from the Justice Assets Forfeiture  
19 Fund established under section 524 of title 28,  
20 United States Code.”.

21 **SEC. 7. RIGHT TO JURY TRIALS.**

22 Section 610 of the Tariff Act of 1930 (19 U.S.C.  
23 1610) is amended to read as follows:

1   **“SEC. 610. SEIZURE; JUDICIAL FORFEITURE PROCEEDINGS;**  
2                           **TIMELINESS; RIGHT TO JURY TRIALS.**

3           “(a) If any vessel, vehicle, aircraft, merchandise, or  
4 baggage is not subject to section 607, or in any case upon  
5 the filing of a claim pursuant to section 608 of this Act,  
6 the appropriate customs officer shall transmit a report of  
7 the case, with the names of available witnesses, to the  
8 United States Attorney for the district in which the sei-  
9 zure was made, or in which the property is located or the  
10 owner of such property is found, for the institution of the  
11 proper proceedings for the condemnation of such property.

12          “(b) No action to forfeit property shall be brought  
13 more than 1 year from the date of the offense that is the  
14 basis for the forfeiture, or when a stay has been granted  
15 during the pendency of criminal proceedings, from the  
16 date of the completion of such proceedings.

17          “(c) In the proceedings in such cases, either party  
18 may demand trial by jury of any issue of fact joined in  
19 the case.”.

20   **SEC. 8. ATTORNEYS’ FEES.**

21          (a) TITLE 18, UNITED STATES CODE.—(1) Section  
22 981(a)(2) of title 18, United States Code, is amended to  
23 read as follows:

24          “(2) No property shall be forfeited under this section  
25 to the extent of the interest of an owner or lienholder by  
26 reason of any act or omission established by that owner

1 or lienholder to have been committed without the knowl-  
2 edge of that owner or lienholder; nor shall any property  
3 which has been paid or pledged as bona fide attorneys'  
4 fees be forfeited under this section.''.  
5

6 (2) Section 1963(c) of title 18, United States Code,  
7 is amended by—

8 (A) striking the period at the end and inserting  
9 a comma; and

10 (B) adding at the end the following: “or that he  
11 received or has been pledged the property as bona  
12 fide attorneys’ fees.’”.

13 (3) Section 1963(l)(6)(B) of title 18, United States  
14 Code, is amended by inserting before the semicolon at the  
15 end the following: “or the petitioner received or has been  
16 pledged the property as bona fide attorneys’ fees’”.

17 (b) CONTROLLED SUBSTANCES ACT.—

18 (1) Section 413(n)(6)(B) of the Controlled Sub-  
19 stances Act (21 U.S.C. 853(n)(6)(B)) is amended by  
20 adding at the end the following: “or the petitioner  
21 received or has been pledged the property as bona  
22 fide attorneys’ fees;’”.

23 (2) Section 511(a) of the Controlled Substances  
24 Act (21 U.S.C. 881(a)), as amended by section 13,  
25 is further amended by adding at the end the follow-  
ing new paragraph:

1           “(12) No property received or pledged as bona  
2       fide attorneys’ fees shall be forfeited under this sec-  
3       tion.”.

4   **SEC. 9. IN PERSONAM.**

5       Section 1082(c) of title 18, United States Code, is  
6   amended to read as follows:

7       “(c) Whoever, being (1) the owner of an American  
8   vessel, or (2) the owner of any vessel under or within the  
9   jurisdiction of the United States, or (3) the owner of any  
10   vessel and being an American citizen, shall use, or know-  
11   ingly permit the use of, such vessel in violation of any pro-  
12   vision of this section shall upon conviction, in addition to  
13   any other penalties provided by this chapter, forfeit such  
14   vessel, together with her tackle, apparel, and furniture, to  
15   the United States. The Attorney General may institute  
16   proceedings against the owner to recover such vessel and  
17   her tackle, apparel, and furniture in the United States  
18   District Court for the district in which the owner is or  
19   in which the vessel is located.”.

20   **SEC. 10. FILING DEADLINE.**

21       Paragraph (6) of Rule C of the Supplemental Rules  
22   for Certain Admiralty and Maritime Claims to the Federal  
23   Rules of Civil Procedures (28 U.S.C. Appendix) is amend-  
24   ed by striking out “10 days” and inserting “60 days”.

1 **SEC. 11. PROPORTIONALITY.**

2 (a) CIVIL FORFEITURES UNDER THE CONTROLLED  
3 SUBSTANCES ACT.—Section 511(a) of the Controlled Sub-  
4 stances Act (21 U.S.C. 881(a)), as amended by section  
5 13, is further amended by striking “The” and inserting:  
6 “Except that the value of the property forfeited under this  
7 section may not exceed the pecuniary gain derived from  
8 the offense or the pecuniary loss caused by the offense,  
9 the”.

10 (b) CRIMINAL FORFEITURES UNDER THE CON-  
11 TROLLED SUBSTANCES ACT.—Section 413(a) of the Con-  
12 trolled Substance Act (21 U.S.C. 853(a)) is amended by  
13 striking the last sentence and inserting the following:  
14 “The value of the property forfeited under this section  
15 may not exceed the pecuniary gain derived from the of-  
16 fense or the pecuniary loss caused by the offense.”.

17 **SEC. 12. ELIMINATION OF THE RELATION-BACK DOCTRINE.**

18 (a) GENERAL TITLE 18, CIVIL FORFEITURE.—Sec-  
19 tion 981(f) of title 18, United States Code, is amended  
20 to read as follows:

21 “(f) All right, title, and interest in property described  
22 in subsection (a) of this section shall vest in the United  
23 States upon administrative or judicial declaration of for-  
24 feiture.”.

25 (b) RICO FORFEITURES.—Section 1963(c) of title  
26 18, United States Code, is amended to read as follows:

1 “(c) All right, title, and interest in property described  
2 in subsection (a) of this section shall vest in the United  
3 States upon return of a special verdict of forfeiture.”.

4 (c) CONTROLLED SUBSTANCES ACT.—(1) Section  
5 413(c) of the Controlled Substances Act (21 U.S.C.  
6 853(c)) is amended to read as follows:

7 “(c) VESTING OF TITLE IN THE UNITED STATES.—  
8 All right, title, and interest in property described in sub-  
9 section (a) of this section vests in the United States upon  
10 return of a special verdict of forfeiture.”.

11 (2) Section 511(h) of the Controlled Substances Act  
12 (21 U.S.C. 881(h)) is amended to read as follows:

13 “(h) VESTING OF TITLE IN THE UNITED STATES.—  
14 All right, title, and interest in property described in sub-  
15 section (a) of this section shall vest in the United States  
16 upon administrative or judicial declaration of forfeiture.”.

17 **SEC. 13. PROPERTY SUBJECT TO SEIZURE.**

18 (a) CRIMINAL FORFEITURE UNDER CONTROLLED  
19 SUBSTANCES ACT.—Section 413(a)(2) of the Controlled  
20 Substances Act (21 U.S.C. 853(a)(2)) is amended to read  
21 as follows:

22 “(2) any of the person’s property primarily  
23 used to commit such violation; and”.

24 (b) CIVIL FORFEITURE UNDER CONTROLLED SUB-  
25 STANCES ACT.—Section 511(a) of the Controlled Sub-

1 stance Act (21 U.S.C. 881(a)) is amended to read as fol-  
2 lows:

3 “(a) PROPERTY SUBJECT TO SEIZURE.—The follow-  
4 ing shall be subject to forfeiture to the United States upon  
5 conviction of the owner of such property of a violation of  
6 this title and no property right shall exist in them:

7 “(1) All controlled substances which have been  
8 manufactured, distributed, dispensed, or acquired in  
9 violation of this title.

10 “(2) All raw materials, products, and equip-  
11 ment of any kind which are used, or intended for  
12 use, in manufacturing, compounding, processing, de-  
13 livering, importing, or exporting any controlled sub-  
14 stance in violation of this title.

15 “(3) All property which is used, or intended for  
16 use, as a container for property described in para-  
17 graph (1).

18 “(4) All conveyances, including aircraft, vehi-  
19 cles, or vessels, which are used primarily to trans-  
20 port or concealment of property described in para-  
21 graph (1), except that—

22 “(A) no conveyance used by any person as  
23 a common carrier in the transaction of business  
24 as a common carrier shall be forfeited under  
25 the provisions of this section unless it shall ap-



1           pear that the owner or other person in charge  
2           of such conveyance was a consenting party or  
3           privy to a violation of this title or title II;

4           “(B) no conveyance shall be forfeited  
5           under the provisions of this section by reason of  
6           any act or omission established by the owner  
7           thereof to have been committed or omitted by  
8           any person other than such owner while such  
9           conveyance was unlawfully in the possession of  
10          a person other than the owner in violation of  
11          the criminal laws of the United States, or of  
12          any State; and

13          “(C) no conveyance shall be forfeited under  
14          this paragraph to the extent of an interest of an  
15          owner, by reason of any act or omission estab-  
16          lished by that owner to have been committed or  
17          omitted without the knowledge, consent, or will-  
18          ful blindness of the owner.

19          “(5) All books, records, and research, including  
20          formulas, microfilm, tapes, and data which are used,  
21          or intended for use, in violation of this title.

22          “(6) All moneys, negotiable instruments, securi-  
23          ties, or other things of value furnished or intended  
24          to be furnished by any person in exchange for a con-  
25          trolled substance in violation of this title, and all

1 proceeds traceable to such exchange, except that no  
2 property shall be forfeited under this paragraph, to  
3 the extent of the interest of an owner, by reason of  
4 any act or omission established by that owner to  
5 have been committed or omitted without the knowl-  
6 edge or consent of that owner.

7 “(7) All parts of real property used primarily to  
8 commit a violation of this title punishable by more  
9 than 1 year’s imprisonment, except that no property  
10 shall be forfeited under this paragraph, to the extent  
11 of an interest of an owner, by reason of any act or  
12 omission established by that owner to have been  
13 committed or omitted without the knowledge or con-  
14 sent of that owner.

15 “(8) All controlled substances which have been  
16 possessed in violation of this title.

17 “(9) All listed chemicals, all drug manufactur-  
18 ing equipment, all tableting machines, all encap-  
19 sulating machines, and all gelatin capsules, which  
20 have been imported, exported, manufactured, pos-  
21 sessed, distributed, or intended to be distributed, im-  
22 ported, or exported, in violation of a felony provision  
23 of this title or title II.

1           “(10) Any drug paraphernalia (as defined in  
2           section 1822 of the Anti-Drug Abuse Act of 1986  
3           (21 U.S.C. 863)).

4           “(11) Any firearm (as defined in section 921 of  
5           title 18) used or intended to be used to facilitate the  
6           transportation, sale, receipt, possession, or conceal-  
7           ment of property described in paragraph (1) or (2)  
8           and any proceeds traceable to such property.”.

9   **SEC. 14. FORFEITURE PROCEEDS TO STATE TREASURIES.**

10          (a) TARIFF ACT OF 1930.—Section 616(c)(1)(B)(ii)  
11          of the Tariff Act of 1930 (19 U.S.C. 1616a(c)(1)(B)(ii)  
12          is amended to read as follows:

13                       “(ii) any State or local law enforce-  
14                       ment agency that participated directly or  
15                       indirectly in the seizure or forfeiture of the  
16                       property for disposition according to State  
17                       law.”.

18          (b) TITLE 18, UNITED STATES CODE.—Section  
19          981(e)(2) of title 18, United States Code, is amended to  
20          read as follows:

21                       “(2) to any State or local enforcement agency,  
22                       which participated directly in any of the acts which  
23                       lead to the seizure or forfeiture of the property, for  
24                       disposition according to State law.”.

1       (c) CONTROLLED SUBSTANCES ACT.—Section  
2 511(e)(1)(A) of the Controlled Substances Act (21 U.S.C.  
3 881(e)(1)(A)) is amended to read as follows:

4               “(A) retain the property for official use or,  
5               in the manner provided with respect to trans-  
6               fers under section 616 of the Tariff Act of  
7               1930 (19 U.S.C. 1616a), transfer the property  
8               to any Federal agency, or to any State or local  
9               law enforcement agency which participated di-  
10              rectly in the seizure or forfeiture of the prop-  
11              erty for disposition according to State law;”.

12 **SEC. 15. EXPANDED USES OF FORFEITURE PROCEEDS.**

13       Section 524(c) of title 28, United States Code, is  
14 amended by adding at the end the following new para-  
15 graph:

16       “(13)(A) In addition to the purposes under para-  
17 graph (1), the fund shall be available to the Attorney Gen-  
18 eral for community-based crime control programs (includ-  
19 ing private, nonprofit programs) for drug education, pre-  
20 vention, and treatment, with amounts for such programs  
21 to be distributed, in accordance with criteria determined  
22 by the State, with priority given to the communities in  
23 which the assets involved are seized.

24       “(B) Not less than 50 percent of the total of the  
25 amounts disbursed for all purposes under this section in

1 a fiscal year shall be for programs referred to in subpara-  
2 graph (A). Not more than 10 percent of the total dis-  
3 bursed for such programs may be used for administrative  
4 costs.”.

5 **SEC. 16. PAYMENT OF INFORMANTS.**

6 (a) TARIFF ACT OF 1930.—(1) Section 619(c) of the  
7 Tariff Act of 1930 (19 U.S.C. 1619(c)) is amended to  
8 read as follows:

9 “(c) DOLLAR LIMITATION.—No person may be  
10 awarded or paid more than \$250,000 in any year under  
11 this section.”.

12 (2) Section 413(i)(3) of the Controlled Substances  
13 Act (21 U.S.C. 853(i)(3)), is amended by inserting before  
14 the semicolon at the end the following: “, except that, no  
15 person may be awarded or paid more than \$250,000 in  
16 any year under this section”.

17 (b) TITLE 18, UNITED STATES CODE.—Section  
18 1963(g)(3) of title 18, United States Code, is amended  
19 by inserting after “section” the following: “, except that  
20 no person may be awarded or paid more than \$250,000  
21 in any year under this section, or any other law of the  
22 United States providing for moieties or awards of com-  
23 pensation to informers in cases involving forfeiture”.

1 (c) TITLE 28, UNITED STATES CODE.—Section  
2 524(c)(2) of title 28, United States Code, is amended to  
3 read as follows:

4 “(2) Any award paid from the Fund for infor-  
5 mation, as provided in paragraph (1)(B) or (C),  
6 shall be paid at the discretion of the Attorney Gen-  
7 eral or his delegate, under existing departmental del-  
8 egation policies for the payment of awards, except  
9 that no person may be awarded or paid more than  
10 \$250,000 in any year under this section. The Attor-  
11 ney General shall publish data annually regarding  
12 amounts of awards paid by the United States.”.

13 (d) TITLE 31, UNITED STATES CODE.—Section  
14 9703(b) of title 31, United States Code, is amended by  
15 adding following new subsection:

16 “(6) No person may be awarded or paid more  
17 than \$250,000 in any year under subsection  
18 (a)(1)(C) or (a)(2)(A), or any law of the United  
19 States providing for moieties or awards of com-  
20 pensation to informers in criminal cases.”.

21 **SEC. 17. ADOPTIVE SEIZURE.**

22 (a) CONTROLLED SUBSTANCES ACT.—Section  
23 511(e)(3) of the Controlled Substances Act (21 U.S.C  
24 881(e)(3)) is amended—

1           (1) by striking “and” at the end of subpara-  
2 graph (A);

3           (2) by striking the period and inserting “; and”  
4 at the end of subparagraph (B); and

5           (3) by inserting after subparagraph (B) the fol-  
6 lowing:

7                   “(C) is not so transferred to circumvent  
8 any requirement of State law that prohibits for-  
9 feiture or limits use or disposal of property for-  
10 feited to State or local agencies.”.

11       (b) TITLE 31, UNITED STATES CODE.—Section  
12 9703(b)(4) of title 31, United States Code, is amended—

13           (1) by striking “and” at the end of subpara-  
14 graph (A);

15           (2) by striking the period and inserting “; and”  
16 at the end of subparagraph (B); and

17           (3) by inserting after subparagraph (B) the fol-  
18 lowing:

19                   “(C) is not so transferred to circumvent  
20 any requirement of State law that prohibits for-  
21 feiture or limits use or disposal or property for-  
22 feited to State or local agencies.”.

23 **SEC. 18. REPORTING REQUIREMENTS.**

24       Section 616(c) of the Tariff Act of 1930 (19 U.S.C.  
25 1616a(c)) is amended by adding at the end the following:

1 “(4) The Secretary shall maintain individual records  
2 concerning property transferred under paragraph  
3 (1)(B)(ii) demonstrating, with particularity—

4 “(A) the circumstances of the investigation and  
5 seizure of the forfeiture, including the race, national  
6 origin, gender, and age of those with an interest in  
7 the property prior to seizure; and

8 “(B) the disposition of the property after trans-  
9 fer by each State.”.

10 **SEC. 19. MAINTENANCE OF SEIZED PROPERTY.**

11 (a) IN GENERAL.—Section 2465 of title 28, United  
12 States Code, is amended to read as follows:

13 **“§ 2465. Return of property to claimant**

14 “Upon the entry of judgment for the claimant in any  
15 proceeding to condemn or forfeit property seized under  
16 this Act of Congress or one year after the seizure of such  
17 property if no such proceeding has been initiated, such  
18 property shall be returned forthwith to the claimant or  
19 his agent. At such time, interest shall be paid on any  
20 seized coins, currency or negotiable obligations at a rate  
21 equal to the greater of 6 percent or the prevailing market  
22 rate. Compensation for any other injury to property,  
23 caused by or occurring subsequent to its seizure, shall also  
24 be paid.”.



1 (b) CLERICAL AMENDMENT.—The item relating to  
2 section 2465 in the table of sections at the beginning of  
3 chapter 163 of title 28, United States Code, is amended  
4 to read as follows:

“2465. Return of property to claimant.”.

5 **SEC. 20. ADMINISTRATIVE AND CONTRACTING EXPENSES.**

6 Section 524(c) of title 28, United States Code, as  
7 amended by section 15, is further amended by adding at  
8 the end the following:

9 “(14) The total of amounts paid from the Fund with  
10 respect to a fiscal year for administrative and contracting  
11 expenses under paragraph (1)(A) may not exceed 10 per-  
12 cent of the total of amounts paid from the Fund for all  
13 purposes with respect to such fiscal year.”.

14 **SEC. 21. REPORT TO CONGRESS.**

15 Section 524(c)(6) of title 28, United States Code, is  
16 amended—

17 (1) by striking “and” at the end of subpara-  
18 graph (B);

19 (2) by striking the period at the end of sub-  
20 paragraph (C) and inserting “; and”; and

21 (3) by adding at the end the following:

22 “(D) a report for such fiscal year containing a  
23 description of the administrative and contracting ex-  
24 penses paid from the Fund under paragraph  
25 (1)(A).”.

1 **SEC. 22. NOMINAL CONSIDERATION SALES OF LOW VALUE**  
2 **REAL PROPERTY.**

3 Section 511(e) of the Controlled Substances Act (21  
4 U.S.C. 881(e)) is amended—

5 (1) in paragraph (1)(B), by striking “(4)” and  
6 inserting “(4) or (5)”; and

7 (2) by adding at the end the following:

8 “(5)(A) If any property referred to in para-  
9 graph (1)(B) is low value real property located in a  
10 metropolitan statistical area, the Attorney General  
11 shall offer such property for sale, for nominal con-  
12 sideration to tax-exempt organizations that provide  
13 direct services furthering community-based crime  
14 control, housing, or education efforts in such area.

15 “(B) As used in this paragraph—

16 “(i) the term ‘low value real property’  
17 means, with respect to a metropolitan statistical  
18 area, real property that is appraised at less  
19 than 40 percent of the median value of com-  
20 parable real property in the metropolitan statis-  
21 tical area;

22 “(ii) the term ‘tax-exempt organization’  
23 means an organization described in section  
24 501(c)(3) of the Internal Revenue Code of  
25 1986, and exempt from tax under section  
26 501(a) of such Code; and

1           “(iii) the term ‘nominal consideration’  
2           means minimal recompense not to exceed 1.5  
3           percent of the value of the property, and shall  
4           not include, directly or indirectly, equitable  
5           sharing or any other cost, expense or payment  
6           associated with the seizure, forfeiture, care or  
7           maintenance of the property, or with the ad-  
8           ministration of any fund or program, other  
9           than the costs of the sale to the extent that  
10          such sales costs do not exceed 1.5 percent of  
11          the value of the property.”.

12 **SEC. 23. ACTIONS UNDER THE TORT CLAIMS ACT.**

13          Section 2680(c) of title 28, United States Code, is  
14          amended by inserting before the period the following: “ex-  
15          cept that this chapter and section 1346(b) of this title  
16          shall apply to any claim based—

17                 “(1) on the negligent destruction, injury,  
18                 or loss of goods or merchandise (including real  
19                 property) while in the possession of any officer  
20                 of customs or excise or any other law enforce-  
21                 ment officer, or

22                 “(2) on the destruction, injury, or loss of  
23                 goods or merchandise (including real property)  
24                 caused by the misfeasance, malfeasance, or non-  
25                 feasance of any customs or excise or any other

1 law enforcement officer while in the possession  
 2 of such officer”.

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